

MEDICAL.



"OLD LINE"

Life Insurance vs. the Fraternal System as Represented by

KNIGHTS OF HONOR AND OTHERS.

A Letter From an "Old Liner," Brought Out by Mr. Campbell's Interview With the Supreme Reporter of the Knights of Honor, He Discusses the Points of Difference—Weak Places in the Fraternal System.

To the Editor of the Intelligencer.

SIR:—I have read with interest the interview between Mr. A. W. Campbell, of your paper, and Mr. B. F. Nelson, of St. Louis, supreme reporter of the Knights of Honor, concerning the comparative merits of fraternal protection and "old line" life insurance. With much that Mr. Nelson says I heartily agree. He is right, for instance, in his claim that the sole excuse for the existence of such organizations is that protection may be furnished to one's dependents in the event of premature death, and that they cannot be made available as a means of investment for investment's sake. No life insurance organization can offer anything worthy the name of investment in connection with a life insurance contract, though it is quite true that agents sometimes represent it to the public in this form. It is only an investment in that it necessitates savings on the part of many persons of the sums paid for premiums on life policies, which, otherwise, would be wasted in extravagances.

I am compelled to admit the force of what Mr. Nelson says concerning the rigid economy exercised in the management of the affairs of the Knights of Honor. This is worthy of all praise and might properly be emulated by the great life insurance companies, whose wastefulness in some instances is notorious.

However, concerning the plan of the K. of H., which Mr. Nelson defends with such zeal and seeming plausibility, I am wholly at variance with him. In saying this I do not wish to detract a particle from the credit his order deserves for the good it has done within the past twenty years. Indeed, as he says, an organization which has been the means of distributing among widows and orphans the enormous sum of nearly fifty millions of dollars is deserving of all praise and I fully accord mine. My regret is that the faulty plan upon which it is founded gives little ground for hope that its good work can long be continued. I do not share Mr. Nelson's view that the organization can be perpetuated by good management, if by that he means merely honest management without a radical re-casting of its methods.

Mr. Nelson is disposed to attribute the steady increase in the order's death rate in the past to carelessness in the selection of its earlier membership. I am inclined to the simpler explanation that old men die at a greater rate per thousand than do young ones. This fact has in great part been lost sight of in the formulation of the scheme of assessments of the Knights of Honor. It is true, according to the present published table of rates, that on admission members are charged at different rates, beginning with 80 cents, for age thirty and under, and increasing to \$2 for age fifty. It may be remarked in passing that these rates, in their relation to each other, do not represent the true ratio of hazard as expressed in the accepted tables of mortality, but this is not a vital matter. It is a vital error, however, that the initial rate should be retained throughout one's membership in the order—for through it we have the anomaly of two members varying widely in age securing the same amount of protection at identically the same cost, or, to put it another way, two members of the same age and having the same protection at widely varying cost.

To illustrate: Let us assume Mr. Nelson entered the order twenty years ago at the age of twenty-nine, paying an assessment rate of eighty cents, and which rate he continues to pay now. It then appears that he, a man of fifty, is paying for his protection precisely the same, and no more, than his newly admitted brother, aged thirty or less. Now no one disputes the fact that deaths are more frequent per 1,000 among men of fifty than among those aged under thirty. Equity requires that each member contribute in proportion to the burden he imposes on the order, but this is not done, for it is evident that Mr. Nelson and the earlier membership are paying less than their fair share of the death costs, and naturally it follows that the new recruits are called upon to make good the shortage. This makes clear why Mr. Nelson is compelled to admit that a young man of twenty-one pays to the Knights of Honor just about what he would be called upon to pay for an ordinary life policy in a life insurance company, and about twice the actual value of the protection he enjoys. He admits further that a policy in a life insurance company would have some value for surrender after two or three years, but undertakes to offset this by the advantage of the membership of the Knights of Honor enjoy in being able to pay in installments. He forgets that most life insurance companies offer similar privileges.

As a matter of fact young men of thirty and under can secure the same protection in other fraternal orders, in assessment companies, and for that matter, in regular life insurance companies, at about one-half the actual annual outlay required in the Knights of Honor—or if they choose to pay the Knights of Honor cost the regular companies will accumulate a considerable share of it which may be withdrawn in after years when the need of protection ceases.

It therefore appears that the regular companies of the better class are in every way more desirable for young men in that, for about the same cost, certainly as complete protection is furnished and in addition a cash value for the insured himself in case of need. We need therefore no longer wonder why it should be so difficult to keep up the membership in such an order.

Even if one is satisfied with this kind of protection why not enter one of the new orders and thus secure the advantage of low cost which the originators of the Knights of Honor once enjoyed, but which can never be furnished to any of their membership again.

This cuts off the influx of young men upon which the perpetuation of the order depends. Spasmodic efforts and resort to various expedients have enabled the order to put off the evil day, but it must come. The device was tried recently of guaranteeing to new entrants a certain limited number of assessments for two years, but the laws would not permit this, and it appears that new members pay but about 90 per cent of the regular rate for two years. This may do some good for a time, but it can have no permanent effect, for even at

per cent the cost is too great in comparison with that in younger orders of like character.

The radical defect is that the K. of H. fail to increase the rate with increasing age, to the end that all persons of like age, whether recent recruits or old members, pay the same price for the same protection.

It is supposed by the uninformed that regular life insurance companies, in continuing the initial rate throughout life, create the very discrepancy of which I complain. It is time that a regular life insurance company will charge for a life policy of \$1,000, at age twenty-four, \$10 per year during life, but it must be noted that only about \$9 of this sum is required to pay losses and expenses, the balance being a deposit (called "reserve") at interest, which by the time the insured reaches the age of fifty amounts to \$275, so that the actual protection at age fifty is but \$725, being the original \$1,000 less the reserve. In case of death the company would pay \$1,000, but \$275 of such payment would be the insured's own money on deposit with the company. Thus, while the company charges a level rate, the amount insured is steadily decreasing. On the other hand the K. of H. furnishing a level amount of protection should charge an increasing rate of assessment. Then each age would pay its proper share and young men could enter the order with assurance of no greater burden than was their just due. Of course this would result in a heavy advance in cost to the older membership, but it is one among the many infelicities of age that deaths happen with increasing frequency among such, and life insurance ought to cost more. This fact of the rapid increase of cost for ages above fifty brings into clear view the advantage of paying in the beginning the comparative trifles required above the mere cost of temporary insurance in order that the protection may be secured for later years at a price not prohibitory. This is accomplished by the plans of regular life insurance companies, but cannot be by fraternal or assessment organizations.

I have before me the New York insurance reports for the years 1889 to 1893. From these it appears that the Knights of Honor experienced a death rate in 1889 of about 13 $\frac{1}{2}$ per 1,000, which in 1893 had increased to about 164. The first figure is that which would prevail in a membership of the uniform age of fifty; the latter is the rate for age fifty-three. This indicates that a large part of the membership has passed the age of fifty and that if young men are induced to enter they do not continue in the order to any appreciable extent.

Much more might be written on the subject, but enough has been said to justify the objection to such organization on the part of life insurance men. While it lasts it does good, but when the inevitable and rapidly approaching end comes can it be truly said that it has done no harm? What of the hundreds and thousands who will be left without needed protection and who from age or infirmities may be unable to get it elsewhere? That is the other side, and, to my mind, it is not a pleasant prospect. I deny that it is "good enough while it lasts," for nothing is "good enough" which might as easily be better. In the language of an old friend of mine, "the best way is as good as any," and in life insurance the best way in that which is popularly known as the

"OLD LINE."

St. Louis, Mo., Feb. 25.

A Ghastly Exhibit.

TANGIER, Morocco, Feb. 27.—Advices received here from Foz state that the two carloads of salted heads of the leading Rahimma rebels, which were taken to Sultan Abdul Aziz by a detachment of the Moorish cavalry, have been suspended from the main gate of that city amid great rejoicing upon the part of the populace.

England and Bi-Metallism.

LONDON, Feb. 27.—Mr. Robert L. Everett, Liberal, representing the Woodbridge division of Suffolk, moved in the house of commons to-day the bi-metallic resolution which was approved on Friday last by the parliamentary committee of the bi-metallic league.

Rheumatism Cured.

Rheumatism is caused by lactic acid in the blood attacking the fibrous tissues of the joints. Keep your blood pure and healthy and you will not have rheumatism. Hood's Sarsaparilla gives the blood vitality and richness and tones the whole body, neutralizes the acidity of the blood and thus cures rheumatism.

Hood's Pills are the best after-dinner pills, assist digestion, cure headache.

Four Big Successes.

Having the needed merit to more than make good all the advertising claimed for them, the following four remedies have reached a phenomenal sale. Dr. King's New Discovery, for consumption, coughs and colds, each bottle guaranteed—Electric Bitters, the great remedy for liver, stomach and kidneys, Bucklin's Arica Salve, the best in the world, and Dr. King's New Life Pills, which are a perfect pill. All those remedies are guaranteed to do just what is claimed for them and the dealer whose name is attached herewith will be glad to tell you more of them. Sold at Logan Drug Company's drug store.

There is Danger in Delays.

Since 1861 I have been a great sufferer from catarrh, I tried Ely's Cream Balm and to all appearances am cured. Terrible headaches from which I had long suffered are gone.—W. J. Hitchcock, late major U. S. Vol. and A. A. Gen., Buffalo, N. Y.

Ely's Cream Balm has completely cured me of catarrh when everything else failed. Many acquaintances have used it with excellent results.—Alfred W. Stevens, Caldwell, Ohio.

Price of Cream Balm is fifty cents.

CASES of forty years standing where operations have failed have been cured by Japanese Pilo Cure. Charles A. Goetz and W. W. Irwin.

Guaranteed Eight Years Old.

IT certainly is a duty and our desire to account to you with the exactest qualities of our Expert Whiskey, when you need this article for medicinal or family purposes. There is none on the market more entitled to your consideration. It has Age, Purity, and being free from all injurious ingredients should command your attention.

Full Quarts \$1.00.

Sold in Wheeling only by JOHN KLAN, SIXTEENTH STREET.

Mail and express orders will receive prompt attention. JOS. FLEMING & SON, 42 Market street, Pittsburgh.

EDUCATIONAL.

Night School.

Why don't you attend the Night Schools of the WHEELING BUSINESS COLLEGE, corner Main and Twelfth streets? Writing, Spelling, Arithmetic, Bookkeeping, Short-hand, Penmanship, etc.

Comfortable rooms. Careful personal instruction and low prices.

COME AND SEE US.

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The Island cars and electric motors pass the door. Fifth annual session begins Monday, September 1, 1895. This school offers a complete and thorough education in Practical English, Mathematics, English Classics, Latin and Modern Languages.

The school consists of Primary, Intermediate, Academic and College Preparatory departments.

The method and course of instruction will compare favorably with the best seminaries in the country.

Boys are received in the Primary and Intermediate. For circulars or interview, apply to

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MACHINERY.

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And Manufacturers of Marine and Stationary Engines.

EDMAN & CO., WHEELING, W. VA.

New York, Feb. 27.—Money on call east at 1 $\frac{1}{2}$ per cent; last loan at 1 $\frac{1}{2}$ per cent; closed at 1 $\frac{1}{2}$ per cent. Prime mercantile paper 3 $\frac{1}{2}$ to 4 $\frac{1}{2}$ per cent. Sterling exchange firm at \$1,884 to \$84. Silver certificate 90 $\frac{1}{2}$ per cent. The total sales of stock to date were 137,611 shares.

Speculation on the stock exchange to-day was irregular on a light volume of business. The market opened firm and there was a very general advance in prices. The general market was firm, well supported. The stocks, at the end of the day, showed a decided improvement. Then came sales to realize profits, which resulted in a reaction of 3 $\frac{1}{2}$ to 4 per cent. After mid-day the trading became stagnant and the movement of prices in the usually active list was very narrow. During the last hour the market generally closed steady. The last prices made, compared with the closing sales of yesterday, in the main show an appreciation in values, the more important gains being: American Tobacco 2 $\frac{1}{2}$ per cent; Sugar 1 $\frac{1}{2}$ and Cotton Oil preferred 1 $\frac{1}{2}$ per cent; and the decline are: Baltimore & Ohio 2 $\frac{1}{2}$; United States Leather, 2; preferred 2 $\frac{1}{2}$ and Cleveland, Columbus, Cincinnati 1 $\frac{1}{2}$; and the others 1 per cent.

The bond market ruled steady, but generally firm during the day. The total sales were \$1,000,000.

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